

**AUTHORIZATION TO INCREASE THE RESERVE CAPACITY FOR THE INDEFINITE DELIVERY,
INDEFINITE QUANTITY (IDIQ) CONSTRUCTION SERVICES PROGRAM OF THE CAPITAL
CONSTRUCTION DEPARTMENT**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners approve the addition of an amount not-to-exceed \$45,000,000 to the reserve capacity of the Indefinite Delivery, Indefinite Quantity (IDIQ) Construction Program of the Capital Construction Department (the "Program"). The new aggregate not-to-exceed value of the Program will be \$125,000,000. This reserve capacity will be distributed to individual contracts, at the determination of the Contracting Officer, as IDIQ firms are awarded task orders with an aggregate total in excess of the value of their contract. This distribution will be done through the established process for amending contract values.

SUMMARY

Original Specification Number:	RFP No. 11-00783
Original Aggregate Amount Distributed Among Awardees:	\$ 27,000,000 - 18 awards at Not-to-Exceed (NTE) \$1,500,000 each
Original Reserve Capacity:	\$ 53,000,000 NTE
Original Total Amount Approved by Board (2012):	\$ 80,000,000 NTE
Additional NTE Amount Requested for Reserve Capacity:	\$ 45,000,000 NTE
New Total Amount of IDIQ Program:	\$125,000,000 NTE
Funding Source:	General Fund
Corporate Goal:	Ensure CHA's portfolio is safe, decent and sustainable

GENERAL BACKGROUND/EXPLANATION

The Program is a vital component of the Chicago Housing Authority's ability to successfully meet its goals in the Plan Forward. It provides:

- an ability to respond more quickly to smaller scale construction needs than is available using the Invitation for Bid or Request for Proposal solicitation formats,
- the flexibility of having firms under contract who can build a history of experience with our construction projects, and
- an opportunity for smaller firms to work with the Chicago Housing Authority, and grow through that experience.

In 2012 the Board of Commissioners approved funding of \$80,000,000 to cover a two-year base period, with the possibility of adding a single Option Year, if needed. However, the Program has taken on additional areas of responsibility since then, and the funding will be exhausted in early 2014, well short of the August 19, 2014 expiration of the two-year base contracts currently held by fifteen (15) general contractors who participate in the Program. Since the issuance of the current IDIQ contracts, the Program has been expanded to include a larger number and variety of projects, and this has led to the Program's funding being expended much faster than originally expected.

It has been determined that an increase not-to-exceed \$45,000,000 will need to be added to the funding for this Program to enable it to fully fund the task orders already in the pipeline or contemplated.

RECOMMENDATION

Therefore, in order to ensure that the Program has sufficient funding for its needs, the Capital Construction Department requests that the Board of Commissioners approve an amount not-to-exceed \$45,000,000 in additional capacity to be reserved for allocation among the firms in the Program at the determination of the Contracting Officer. This additional funding is required to permit the Program to continue issuing new task orders through at least the remainder of the two-year base contract. The new total aggregate amount of the IDIQ contracts and the reserve capacity is not-to-exceed \$125,000,000. Given the success of the Program, CHA intends to re-solicit this program in 2014, so no additional request will be made to increase funding under the current program.

The Interim Acting Vice President and Interim Acting Director of the Capital Construction Department, the Office of the General Counsel and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal (HUD) procurement laws.

The Interim Acting Vice President and the Interim Acting Director of Capital Construction concur with the recommendation to add an amount not-to-exceed \$45,000,000 to the aggregate value of the funding capacity for the Program.

The CEO/President also recommends the approval of this increase to the aggregate value of the Program.

RESOLUTION NO. 2014-CHA-9

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated January 15, 2014 entitled **“AUTHORIZATION TO INCREASE THE RESERVE CAPACITY FOR THE INDEFINITE DELIVERY, INDEFINITE QUANTITY (IDIQ) PROGRAM OF THE CAPITAL CONSTRUCTION DEPARTMENT”**;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners hereby approves the addition of an amount not-to-exceed \$45,000,000 to the funding capacity for the Indefinite Delivery, Indefinite Quantity Program Construction Services of the Chicago Housing Authority the Program. This additional capacity is to be reserved for allocation among the firms in the Program at the determination of the Contracting Officer. The new total aggregate amount of the IDIQ contracts and the reserve capacity is not-to-exceed \$125,000,000.

The task orders issued under the Program are subject to each Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 and insurance requirements.

